

VIRGINIA BEACH
VISION

November 8, 2019

The Honorable Robert M. Dyer
The Honorable Members of City Council
City of Virginia Beach
Virginia Beach, VA 23456

Dear Mayor Dyer and Members of Council:

Following this letter is a statement of position, as adopted by the Virginia Beach Vision Board of Directors, endorsing the Development Agreement for the former Dome Site, the Atlantic Park project, and encouraging your vote of acceptance on November 19, 2019.

In summary, we believe the Atlantic Park project moves the city closer to achieving its goal of becoming a year-round visitors' destination and does so in a fiscally responsible manner that does not negatively impact the city's debt capacity or reduce its General Fund resources.

In addition to the tax revenues the project will directly generate to fund city services and our public schools, the complementary private investments the project will incentivize in the resort area will likely be significant. After twenty-three years the former Dome Site will once again become an income, employment and tax revenue generator.

While new to the City of Virginia Beach, the use of a Community Development Authority to provide bonding and "gap" funding may very well prove a superior financing tool for other such public/private projects in the future.

During Vision's deliberations about the Atlantic Park project, two areas of concern were voiced that will warrant future attention. The first is a growing concern about resort businesses being able to get the number of seasonal employees needed to meet demand. In addition to the low unemployment rate that impacts many business industries, the difficulties being encountered in having J-1 visa's accepted are severely limiting employment candidates. Attention must be given to options for offering seasonal housing to this segment of the labor force.

Similarly, there is concern that while financing mechanisms are available to facilitate large projects like the Atlantic Park, other areas of the resort need the ability to modernize and upgrade so that the entire resort area is attractive and welcoming for residents and visitors. We note that there has been some Council discussion of expanding the matching grant program now available in the ViBe district to being available citywide. We encourage your continued focus on this need.

In both these areas of interest, Virginia Beach Vision welcomes opportunities to work with the city in building the "Preferred Coastal City on the Atlantic."



Paul L. Merritt

President/Chairman of the Board



Statement of Position
Dome Site Project – Atlantic Park

November 7, 2019

Virginia Beach City Council at its February 2019 Planning Retreat laid out ten distinct goals. Four of the top goals were:

1. To grow the local economy.
2. For Virginia Beach to be a competitive, sustainable year-round resort destination for residents, businesses, and tourists.
3. To maintain a financially sustainable city providing excellent services; and,
4. To modernize city assets and infrastructure

Virginia Beach Vision, representing 120 business and community leaders, wholeheartedly supports these goals as being central to the future economic prosperity and quality of life that makes our city uniquely desirable and believes that the Atlantic Park project moves the city closer to achieving each of those goals.

The Atlantic Park project, as proposed by Venture Realty, will significantly enhance the resort area as a year-round visitors' destination. It will provide unique shopping experiences, entertainment and music concerts in a state-of-the art 3,500 seat theater, and recreation at the Wavegarden Lagoon surf park. Its office, restaurant and residential spaces will lead to expanded year-round activity throughout the resort district.

As a whole, the project will grow the economy, entice complementary private investments in the resort area and generate significant tax revenues on a property that has remained underutilized and off the tax rolls for twenty-three years. Its offerings will bring new excitement to the resort area for visitors and residents alike. Providing alternative lifestyle opportunities will help to bring those much sought-after millennials back to the city and the workforce.

The Development Agreement details a financially sustainable plan for the City that mitigates investment risk for City taxpayers by leveraging the Tourism Investment Program Fund and through the creation of a Community Development Authority to provide bonding and "gap" funding without impacting the City's general fund or debt limit. Conversely, it provides new tax

revenues that will support city services by adding an expected \$57M to the city's general fund budget and \$49M for the public schools over 20 years. This growth in business tax revenues will actually reduce the reliance on individual taxes to finance public service and education needs.

Venture Realty, throughout the planning process, has been a model for meeting Council's objective of being transparent and inclusive. Venture's representatives have participated in over 25 public and civic events and have held over 100 meetings with stakeholders and interest groups. A public survey received 2,500 responses that demonstrated overwhelming support for the proposed music venue (85% approval), the surf park (73%), convenient parking (85%), event spaces (87%) and experiential retail (68%).

The Atlantic Park project embraces four of City Council's top ten goals and has done so in a way that will set the standard for public engagement for future mega projects. After twenty-three years of the Dome Site property sitting fallow, costing the city in lost taxes and lost opportunities, it is now the right time and the right project to move Virginia Beach toward its goal of being a competitive, sustainable year-round resort destination. This project Development Agreement deserves the unanimous support of Virginia Beach City Council.

Adopted by the Virginia Beach Vision Board of Directors: November 7, 2019